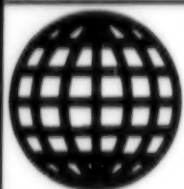


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USA: Economics, Politics, Ideology

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External Factors in U.S. Economic Development

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[Article by Sergey Vadimovich Gorbunov, doctor of economic sciences and sector head at Institute of U.S. and Canadian Studies, and Nikolay Petrovich Shmelev, doctor of economic sciences and department head at same institute]

[Text] An assessment of the role played today by foreign factors in the economic development of the United States and of the nature and degree of their interaction in internal economic processes is central to an understanding of the distinctive features of the United States' position in the world economy. This was never given any consideration whatsoever until recently, because until around the middle of the 1970's the world market was not among the key parameters determining the basic guidelines of American economic development. Later, however, the situation changed radically.

The Global Market and the American Economy

The increasing internationalization of economic affairs, resulting in the heightened interdependence of individual countries and the more pronounced interpenetration of their national economic structures, is playing a major role in changing the conditions of modern capitalist development. Along with the offer of national products on foreign markets, the attraction of foreign material, technical, and financial resources for the satisfaction of domestic demand has become a common, daily occurrence, or, in other words, a permanent and completely natural factor of national economic development.

At this time it is not only the monetary and commercial stages of the circulation of capital that are closely intermeshed, but also the production stage. A single reproductive mechanism is taking shape throughout the capitalist world. The division into national governments is becoming more and more hypothetical from the standpoint of capital accumulation. Qualitative changes in the production base and in the entire economic structure are already absolutely impossible without increasingly sizable and rapid transfers of material and financial resources among individual sectors and regions of the world capitalist economy.

Some degree of equalization in the economic, scientific, and technical capabilities of the leading capitalist states and the gradual rise of more and more countries to the level of the world economic elite, especially the so-called new industrial nations, are directly related to the internationalization of economic affairs.

The postwar period as a whole has been distinguished by the steady rise of the main capitalist countries to the level of the United States in economic development. For example, the most important element of competitiveness—labor productivity—was equivalent to 40 percent of the American level in Western Europe and under 20 percent of the American level in Japan at the beginning of the 1950's, but by the end of the 1980's the West European countries and Japan had reached a level equivalent to 80 percent of the U.S. figure on the average. The gap between other economic indicators is also being reduced, and there is good reason to expect the continuation of this trend.

The internationalization of economic affairs rose to a new level with the development of the transnational corporations, controlling more than a fourth of world industrial production and more than half of world capitalist trade, and with the increased involvement of small business in world economic relations. Today, now that the new technology is being disseminated among Western countries more and more quickly, and now that the most important macroeconomic proportions (profit-wages, consumption-accumulation, and others) are being standardized by the progressive involvement of national economies in international trade and capital exchange, it is probably unrealistic to assume that the differences in the level (but not in the character) of the economic development of leading Western countries might grow more pronounced.

It is largely under the influence of this process that the nature, forms, and scales of international economic relations are changing. Today, even for the most powerful states, including the United States, the foreign economic sphere is far from only a supplementary channel for the sale of their products and an additional source of cheap raw materials and of labor-, material-, and energy-intensive products not requiring advanced technology or skilled manpower for their manufacture. The possibility of the mutual enrichment of participants in economic activity through cooperation is acquiring growing importance, and this is expanding the boundaries of the search for the best economic options.

This is why it does not seem to be a coincidence that the measures to open up the U.S. economy coincided with the relative equalization of the economic, scientific, and technical levels of the main capitalist states and the stepped-up industrialization of many developing countries. After all, it is only in an atmosphere of comparative economic, scientific, and technical equality that partners have a chance to develop the reproductive ties that differ little in terms of character and intensity from the relations between manufacturers within a country. Only this can put an end to the situation in which the foreign market is an extremely important but nevertheless supplementary part of internal economic processes. In contrast to, for example, the economic integration in Western Europe, this situation did not begin to take shape in the United States until the late 1970's and early 1980's.

It is particularly significant that this is a matter of the equalization of the potential of capitalist countries as a natural result of internationalization, and not the delayed development of some or the quicker development of others in the traditional view of these processes. In particular, we could hardly say, for example, that the United States is suffering from a technology gap just because it is growing more dependent on high-technology products from abroad. It is more likely that international division of labor is having a stronger impact on the sphere of advanced technology and that this was made possible by the equalization of economic, scientific, and technical levels. In the final analysis, everyone benefits from the expansion of the base of scientific and technical progress.

In a global market the loss of superior positions and indisputable leadership is natural on the one hand and, on the other, certainly does not signify relegation to the second-rate ranks from the standpoint of economic development, and it is even less of an indication of the appearance of a new leader in the form of another state or group of states, as was the case so many times in the past. The world economy is entering a qualitatively new phase, distinguished by the relatively equal development of more and more countries and the progressive lowering of the barriers represented by state borders. There is no question that the consolidation of this tendency will be accompanied by sizable conflicts, if only because there has been no past experience in the collective (rather than unilateral) definition of the "rules of play."

The rise—and it is an extremely impressive rise—of the quantitative indicators of the internationalization of U.S. economic affairs does not provide a complete picture of the increased interdependence of domestic and foreign economic processes. The United States' dependence on the influence of foreign economic factors at this time is determined largely by the new quality of the economic mechanism resulting from the combination of scientific, technical, and economic-organizational changes in capitalist reproduction. Above all, these include the increased international mobility of capital and the development of cooperative relations between firms in different countries, which is establishing closer ties not only between TNC's, but also between the leading companies and small businesses of the United States and the rest of the Western countries.

A unified world capitalist market for goods and capital is being formed by the merger of its national and international segments. In the opinion of, for example, Governor M. Cuomo of the State of New York, who headed one of the many independent commissions set up to study the United States' position in the world economy, "the most important feature of the present era is the birth of the global economy. Today the American economy is indissolubly connected with the economies of other countries."¹ It appears that the U.S. national market can already be called part of the global market.

This already applies to more than just finances, the data processing business, mineral resources, and agricultural products. Internationalization has also had a strong impact on the central link of the American economy—engineering. According to available estimates, by the end of the 1980's up to 70 percent of the products of engineering were facing some degree of foreign competition.² The integration of world economic ties into the national reproduction process in the United States is turning foreign economic factors into one of the most important elements of U.S. economic development.

It must be said, however, that this interdependence is asymmetrical. Even in our day the United States is still the nucleus or center of the capitalist world economic system. It is here that new patterns of economic, scientific, and technical development are tested. Today, however, this is connected less with differences in levels of economic development than with the United States' much greater economic potential in comparison to its competitors, which creates more favorable conditions for the implementation of scientific and technical achievements.

It is on this basis that the new system of economic (partnership) relations between American capital and its foreign rivals is taking shape and various forms of internationalized production are being developed. These are an integral part of the new technological method of production in the American economy.

The unification of all forces in the world capitalist economy for the quicker transition to the new technological method of production is one of the main objectives of American capitalism and is being accompanied by the restructuring of the U.S. economy. In all probability, future internationalized forms of production are now being tested in the United States. The scales of this "experiment" are clearly much broader than the traditional idea of the correlation and interaction of domestic and foreign factors of economic development.

Structural Reorganization: The Place and Role of the Foreign Economic Sphere

Economic interdependence is becoming one of the main factors determining the outcome of internal economic processes in the United States. We can assume that this tendency will be long-lived and will not be confined to the present phase of national economic development. This is a result, I repeat, of the increased collectivization of production on the national and international levels and the equalization of the levels of economic development in the leading capitalist countries.

The structure of foreign economic ties, however, is not invariable. It changes under the influence of specific aspects of the reproduction process and the domestic economic situation. In the 1980's this influence was responsible for the prevalence of import operations over exports in the movement of goods and capital. The main

factor here, in our opinion, was the structural reorganization of the American economy, which entered a new phase of the scientific-technical revolution—the phase of electronic automation, data processing, and biotechnology.

This kind of restructuring, however, can no longer be accomplished only on the United States' own base. Its main parameters and speed depended largely on the overall situation in the unified, genuinely global, capitalist world market. The exact patterns of world economic ties in the late 1970's and the 1980's were the result of the quicker maturation of prerequisites for the qualitative renewal of the production base and the entire economic structure in the U.S. economy because of its dimensions and because it was still the leader in many areas of scientific and technical progress.

The United States is still the leader in making objectively necessary economic changes, and this is probably the first time in history that this is occurring in close interaction with the world market and with changes in the economies of other countries. This interaction gives the structural changes additional dynamism and is decisive in defining their patterns.

The beginning of this process was marked by the crisis of the so-called "old" branches of industry—the energy-, material-, and labor-intensive branches. What is more, this crisis was compounded by the growing openness of the American economy. Supplies of products from the aforementioned branches were more and more likely to come from foreign sources, and this heightened the difficulties of American manufacturers. Today, for example, foreign suppliers account for 68 percent of the footwear and 53 percent of the clothing sold in the U.S. marketplace and 23 percent of the steel and over 50 percent of the oil and petroleum products used in the United States.

More significant changes in the "old" branches (from the standpoint of the impact of external factors) took place in the 1970's. We can agree with F. Bergsten that "the United States began experiencing the growing structural dependence on the world economy even before the sizable deficit in current accounts."³ It is possible that old patterns of thinking were responsible for the fact that some researchers still regard the changes in the "old" branches as the mainstream of reorganization in the world capitalist market and as the principal cause of the United States' growing dependence on the foreign market.

There is no question that the flooding of the American market with imports of the products of the "old" branches throughout the 1970's provided strong momentum for the modernization of the production system—a process which was launched in the next decade and which served as an additional factor stimulating changes in the very methods of production. Of course, the preconditions of this process were largely of domestic origin, but the import boom in the "old"

branches clearly demonstrated that American industry was simply unable to continue operating on its earlier technological base and that its qualitative modernization could not be postponed any longer. Differences in labor productivity no longer covered wage expenditures.

These processes were also taking place in other centers of the world capitalist economy, but they were not as intense, and besides this, it appears that the economic structures of Western Europe and Japan were not ready yet for full-scale reorganization.

Therefore, the United States had the most acute need, and the greatest ability, to adapt to changing cost proportions. From the standpoint of the interaction of domestic and foreign economic factors, the partial transfer of the old branches abroad was only the first phase of this adaptation—what might be termed the initial, "extensive" phase.

A different situation took shape after the crisis of 1980-1982. Its distinctive feature was the mass incorporation of the latest high-technology equipment and the accelerated development of the relatively small group of branches securing technical progress on this basis. Above all, this applies to data processing equipment (computers, communication systems, monitoring and testing equipment, and scientific instruments). In essence, it was precisely at that time that the restructuring of the technical basis of the economy and its rise to a qualitatively new level began.

This restructuring required large capital investments and the mass replacement of outdated equipment. It is not surprising that the American economy began attracting material and financial resources from many countries. It appears that the modernization of the U.S. economy would have taken place even in the absence of ties with the world market, but it would not have happened as quickly or on as broad a scale.

Without going into the details of the mechanism for the transfer of foreign resources to the American economy, I must say that it reveals differences in the correlations of domestic and foreign factors of economic development. From the purely technical standpoint, the flow of foreign resources into the United States has been called (and quite accurately, in our opinion) a result of the excess of investment and consumption over existing internal savings and the opposite correlation in the countries representing America's main partners.⁴

The interpretation of the very existence of this imbalance only as the result of an extremely low savings norm in the United States, however, sounds questionable.

In our opinion, the imbalance was largely due to the more favorable opportunities for the accumulation of capital in the United States and its earlier transition to the new model of economic development. In a global market this transition could be accomplished more quickly with the inclusion of foreign material and financial resources in the process. With some reservations, we

could say that in the 1980's, for the first time in world economic history, we witnessed the broad-scale unification of resources on the international level for the purpose of creating a largely new economic structure in the region most prepared for this. It is significant that the process affected not only the flows of goods and capital, but also the movement of the main productive force—the human being, as attested to by the strong wave of immigration to the United States.

Many researchers (both Soviet and foreign) associate the changes in the U.S. economy in the 1980's primarily with the loss of American industry's competitive potential. This usually causes them to overlook other specific reasons. After all, in the second half of the 1970's American goods were still competing successfully in the world market, as evidenced by the restoration of U.S. export positions to the level of the 1960's. In the 1980's labor productivity in engineering—the main export branch—rose at a rate of around 4 percent a year (just over 1 percent in the 1970's), which was perceptibly higher than the West European indicator and only slightly below the Japanese indicator. Nevertheless, it was in engineering that the most significant changes took place: the rapid growth of imports accompanied by an absolute decrease in exports. In less than a decade the proportion accounted for by imported equipment in domestic demand rose from 15 percent to almost 40 percent. In general, finished items accounted for around 90 percent of the increase in the trade deficit from 1981 to 1987.

The main reason was the abrupt change in relative exchange rates. This "artificial" (from the standpoint of production) loss of competitive potential in a broad group of branches⁵ was an essential condition for the qualitative reorganization of the entire economic structure and turned this reorganization into an intensive process. The sweeping changes in the cost proportions of international exchange made the use of a resource volume exceeding domestic potential possible. The opinion of Brookings Institution researchers B. Bosworth and R. Lawrence warrants consideration. They feel that "the trade deficit is the result of the structure and correlation of national savings and investment, and not an indicator of the ability to compete in world markets."⁶ If competitive prices had remained at the level of the late 1970's, genuinely revolutionary changes in the production base would have been absolutely impossible or would have taken decades, and eventually this would have been contrary to the interests of America's main partners as well.

In the situation which took shape in the 1980's, on the other hand, the acute need for the dramatic enhancement of economic effectiveness was accompanied by massive injections of foreign resources. The main increase was in imports of machines and equipment and also of consumer goods; most of the items purchased abroad were pieces of high-technology equipment, primarily data processing systems (50 percent of all imports of high-technology equipment), and not the products of the "old" branches. In the first half of the 1980's the

proportion accounted for by advanced equipment in total equipment imports rose from 40 to 46 percent and continued to rise. Imports were used in the restructuring of the technical base of industry⁷ and in the equally important task of creating a largely new service sphere as a support base for the emerging technological method of production.

A similar situation took shape in the consumer sector. Here the imports, primarily household electronics, secured a quicker transition to a new quality of life, corresponding to the current phase of economic development.

In general, however, the combination of domestic and foreign resources made it possible to adapt to structural changes in a comparatively short time and to make the transition to the resource-saving, intensive type of economic operations, distinguished by the use of flexible computerized production systems, robots, and automated design systems, and a perceptible rise in the relative significance of branches of non-physical production (trade, finance, business services, and others).

New Priorities

The influx of foreign resources made it possible to complete the most intense and agonizing period in the adaptation of the economy to the new conditions of reproduction and to make the transition to the mass renewal of the basic tools of labor on a technical base corresponding to the modern structure of the economy by the end of the 1980's at minimum cost. This will also introduce some changes into the American economy's relationship with the world market. Now that these tendencies are beginning to be developed and reinforced, the relative importance of foreign demand is growing, and this is lowering the exchange rate of the dollar, strengthened by the modernization of industry in the 1980's. This applies to the newest branches and the basic ones.

Above all, the restructuring of production led to dramatic breakthroughs in American exports of engineering products as early as 1988. Furthermore, by the end of the 1980's even the basic branches of American industry joined the ranks of the world leaders from the standpoint of competitiveness. In 1987 and 1988, for example, exports of aluminum increased by 38 percent each year.⁸

Besides this, according to available estimates, 60 percent of the success of the basic branches was secured by high product quality and low production costs, and 40 percent was the result of the change in relative exchange rates.⁹ In 1989, for example, the output of iron ore was the same as in 1981 but the number of people employed in the branch was only half as high. Employment in the steel industry declined by 42 percent between 1982 and 1989, but the decrease in capacities was much smaller (25 percent). The production of ferrous rolled metals exhibited a perceptible rise in effectiveness. Quicker drying in the paper industry reduced production costs by

15-20 percent. Technological innovations in the chemical industry made it possible to move flexibly from one type of raw material to another in line with changes in prices.

Production costs in the automobile industry also decreased substantially. In 1987 and 1988, for example, Chrysler reduced its annual expenditures by 10 billion dollars, or by 11 percent. As a result, its operations will be profitable even if sales volume should drop 16 percent below the 1988 figure. General Motors and Ford did not suffer any losses even with respective declines of 13 and 30 percent in sales.

In this way, an extremely solid reserve had been created in all of these branches by the end of the 1980's. Many experts believe that Japanese and West European manufacturers do not have this kind of reserve.

As far as the economy as a whole is concerned, its restructuring, according to many American economists, has not been fully materialized in the growth of labor productivity yet.¹⁰ This applies above all to the return on mass computerization, or the so-called "computer revolution." This is quite understandable. It takes time to adapt a new generation of technology. For this reason, we can assume that the results of the "computer revolution" will be fully apparent in the 1990's as the computers are integrated into the production process and as new systems of communication are developed on the macroeconomic level and between the new equipment and the human in each workplace. This also applies to the economic return on changes in the quality of life. The complete realization of the results of all these changes will naturally require a period of "extensive" development, or development "in breadth," which presupposes, among other things, the assignment of higher priority to export sales.

In general, the changing relationship between domestic and foreign factors of economic development had perceptibly enhanced the role of exports in the reproduction process by the end of the 1980's. It was responsible for more than 30 percent of GNP growth. The increase in the physical volume of exports was 13 percent in 1987 and 22 percent in 1988, as compared to 5.1 percent in 1986.

As the role of foreign economic contacts grows more important and the domestic economic situation changes, the American business community's approach to export strategy will also change. At a time when exports are becoming a vital component of sales, the behavior of American corporate executives reveals more and more similarities to the actions of their West European and Japanese colleagues. BUSINESS WEEK commented, for example, that American managers "are following the example of the West Europeans and Japanese, who proved that the best strategy consists in controlling part of the market, and not in making a quick profit."¹¹ Exports have ceased to be regarded as something of secondary importance, as a side-effect of operations within the country.

It is significant that the flood of import goods which stimulated the structural changes in the American economy also marked the beginning of a new phase in its interaction with the world market. It is extremely indicative that even when the exchange rate of the dollar fell so abruptly in the second half of the 1980's, imports continued to grow, even if at a less impressive rate (at a rate of 4 percent and 6 percent respectively in 1987 and 1988 in terms of physical volume, as compared to 70 percent in 1982-1986). As a result, in 1988 the proportion accounted for by imports in total domestic sales had risen from the 1981 figure of 10.7 percent to 14.7 percent, including a rise from 15 percent to 40 percent for the tools of labor.

The establishment of long-term, stable cooperative ties, which cannot be broken by changes in monetary correlations, also changed the impact of imports on the nature of domestic economic development. Since the end of the 1980's imports have not had the same displacing effect on domestic production as they did in the first half of the last decade and are more and more likely to supplement this production. Of course, this was also a result of the slight decline in consumer demand and of the investment boom, which was connected less with the modernization of existing facilities than with the construction of new ones. The main cause, however, might have been the intensification of specialization and the more organic relationship and connection between national reproductive mechanisms.

At the end of the 1980's exports also began rising to a higher level of internationalization. The specific cause was a new change in the relationship between domestic and foreign factors of economic development in the United States and in the countries representing America's main partners.

It is significant that the very question of the relationship between domestic and foreign economic factors is also acquiring a global nature in the unified world capitalist market for goods and capital. In more specific terms, this means that the United States' position in the world economy depends equally on the nature of its own development and on the situation in other parts of the world economy. This interrelationship is constantly growing stronger.

On the threshold of the 1990's the situation in the world economy began changing gradually, primarily as a result of its further restructuring and the consequent redirection of the emphasis to Japan, Western Europe, and, possibly, the new industrial nations. Changes of this kind will gradually reduce the flow of foreign capital into the United States and enhance the role of exports in its economic growth. This will be accompanied by the increasing importance of domestic demand in relation to exports in the developed capitalist countries representing the United States' main partners, the quicker closure or overseas transfer of traditional production

units which are losing their competitive potential, and the augmentation of the role of imports in the reproductive process.

Changes in the nature of general economic development in the main capitalist countries will also create different patterns of international transfers of goods and capital. This will change the bases of their relations with the world market considerably. This will probably be one of the major factors determining the nature of interrelations in the world capitalist economy throughout most of the 1990's.

In 1986 domestic demand in Japan and the main West European states began to exceed GNP growth, and OECD forecasts predicted the continuation of this tendency at least until the beginning of the 1990's.¹² An opposite process began in the United States in 1987. As we pointed out earlier, The situation was the direct opposite at the end of the 1970's and during the first half of the 1980's.

At the end of the 1980's America's main partners, especially Western Europe, entered the stage of interaction with the world market that the United States had undergone in the first half of that decade. Its main distinctive feature was the use of the relatively cheap (as a result of changes in relative exchange rates) imports of the products of traditional branches and, what is more important, of high-technology equipment for the modernization of the industrial base and the entire economic structure. Furthermore, due to heightened differentiation in the market for machines and equipment and more intensive international specialization and cooperation, the growth of American exports did not crowd local producers out of the market. The expansion of exports, especially to West European countries, was in line with the dynamics and structure of demand.

As a result, exports of engineering products from the United States increased by 28 percent just in 1988. In this way, external factors promoted the consolidation of the new technological method of production and its development in breadth. It is indicative that high-technology items represented more than 60 percent of U.S. exports of machines and equipment at the beginning of this decade. At the beginning of the 1980's the indicator was below 50 percent.¹³

According to predictions, throughout most of the 1990's foreign demand will be responsible for up to half of GNP growth in the United States. This situation, which was once characteristic of other capitalist countries, is unprecedented in America, where the economy is being integrated more and more completely into the world economic system.

The formation of the unified, genuinely global, world market marks the end of the postwar period in capitalist economic development. One of the most important features of the period was the mainly unilateral impact of the United States, with its relatively autonomous economy, on the economic development of most of the

capitalist and developing countries and on the establishment of the basic organizational principles of the international economic system and, to a certain extent, the national markets of the United States' partners. Now, however, the American market might be the most important part, but still only a part, of the unified international reproductive mechanism. As a result, the state of the country's economy and the need for changes in its production base and its entire economic structure will depend more and more on processes extending far beyond national borders.

The development of this country would have been impossible without the use of the common productive forces of capitalism. Collective production and the intensive exchange of the material and spiritual elements of productive forces already constitute an operating mechanism of the capitalist economy. The United States is making use of it more and more actively.

Footnotes

1. "A New American Formula for a Strong Economy. The Cuomo Commission Report." New York, 1988, p xxiii.
 2. F. Bergsten, "America in the World Economy: A Strategy for the 1990's," Washington, 1988, p 52.
 3. *Ibid.*, p 51.
 4. For example, when net savings in the United States were equivalent to 2.4 percent of the net national product (NNP) in 1987 and 1988, domestic investment was equivalent to 5.9 percent of the NNP ("Critical Choices," Washington, 1989, p 5).
 5. According to some estimates, the higher exchange rate of the dollar was responsible for up to 75 percent of the total U.S. trade deficit (BIKI, 1989, suppl 4, p 70).
 6. "Critical Choices," p 52.
 7. By the middle of the 1980's imported equipment was already equivalent to 25 percent of the total equipment used in the food, printing, paper, and electronics industries and 50 percent in the textile industry (LE MONDE DIPLOMATIQUE, September 1986).
 8. BUSINESS WEEK, 11 September 1989, pp 101, 102.
 9. *Ibid.*, p 102.
 10. See, for example, BUSINESS WEEK, 25 September 1989, pp 95-96.
 11. *Ibid.*, p 96.
 12. INVESTIR, 22 June 1987, p 183.
 13. MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA, 1989, No 9, p 118.
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West European Politico-Military Integration and the "Superpowers"

904K0008B Moscow SSIA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 4, Apr 90 (signed to press 22 Mar 90) pp 13-22

[Article by Sergey Viktorovich Smolnikov, candidate of economic sciences and senior instructor at Moscow State Institute of International Relations, USSR Ministry of Foreign Affairs; passages in boldface as published]

[Text] The West European factor has recently been growing more important among the factors with a perceptible impact on Soviet-American relations. The interests of the USSR and the United States were always closely intermeshed in Europe, but Western Europe's own interests were not always reflected equally in the policies of the "superpowers." At the end of World War II and in subsequent decades, the West Europeans had to be satisfied with playing "second fiddle" at best. The processes of West European integration are entering a qualitatively new phase, however, changing the place and role of Western Europe in international relations in the 1990's. The increased importance of "Eurofactors" is apparent everywhere, whether in the elaboration of a new concept of security, in the formation of a new structure of world economic ties, or in the Western response to perestroika in the USSR.

American-West European relations are not what they were in the 1950's and 1960's or even what they were in the 1970's and early 1980's. Economic and technological interdependence has grown much stronger on both sides of the Atlantic and, what is most important, is becoming more balanced. The political dialogue between Washington and its European NATO allies on tactical nuclear weapons or, for instance, the regulation of transfers of the latest technology to the USSR is displaying extremely complex patterns.

There are many reasons to take Western Europe much more seriously than before. They include the clear tendency toward the growth of EEC economic strength as the processes involved in the creation of the unified European market by 31 December 1992 approach completion. They also include the technological reorganization of the economy within the framework of the so-called "technological Europe." They include the stronger political unity of the West Europeans. Finally, they include more active attempts at political and economic convergence by several West European countries in the military sphere. This article will discuss this latest trend in "European construction," its causes, and its possible global consequences.

It appears that analyses of these extremely complex and intricate processes have still not gone beyond the boundaries of fairly stereotypical assessments. Soviet and foreign experts sometimes arrive at extremely contradictory conclusions when they assess the nature, essence, and international implications of the political and economic aspects of military integration in Western Europe. In

simple terms, they are the following. Some feel that this convergence is extremely problematical, if not ephemeral. Although the first joint military-industrial projects by West European countries began to be carried out 15 or 20 years ago, today Western Europe is not much closer to genuine military integration than it was in the 1960's. The chances of perceptible success are doubtful.

Other researchers, on the other hand, see the military and military-economic integration of several countries in the region as an established fact. Furthermore, some experts separate it from purely politico-economic integration in Western Europe, directing attention to the existence of the many bilateral and multilateral military-industrial cooperative projects between national European companies and the increased activity of the Western European Union (WEU) and some other European institutions in the same field. Nevertheless, they frequently conclude that the politico-military convergence of the West European countries runs counter to the interests of lasting European peace and security and does not fit into the idea of the "common European home." There are also other opinions.¹

We feel that there is no valid reason to underestimate the importance of the changes that began in Western Europe in recent years in connection with the qualitatively new phase of integration in the region. Nevertheless, the excessively emotional and tendentious ideologized approach to this area of "Euroconstruction" and the deliberately negative assessments of its possible impact on international developments in the future are equally dubious.

Motives and Stimuli

The situation in Western Europe at this time is such that questions of defense (including their economic aspects) and security still do not fall under the jurisdiction of the main institution of West European integration—the European Economic Community. It would be wrong, however, to assume that the situation will not change in the future or to impose some kind of abstract limits on the process of European integration. After all, as this process develops, additional prerequisites will be established for the move to new spheres and levels of integration.

In spite of the forecasts of skeptics (even in Western Europe itself), some steps have already been taken in the EEC toward the creation of an economic and monetary union. If anyone ever thought that, for example, M. Thatcher's refusal to take any further steps toward new frontiers in integration could stop the process, the results of the EEC Council session in June 1989 must have shaken this conviction. As we know, it was at this forum that the "green light" was given for the so-called "Delors model"—the sequential advancement of the community toward an economic and monetary union. England's FINANCIAL TIMES was absolutely correct in its statement that "it would be shortsighted to imagine that the union will be concerned only with questions of economics and money. This is not the case: It pertains to all

community integration, and the strengthening of an aspect of the EEC as important as economic and monetary cooperation cannot fail to strengthen the political basis of the community (emphasis mine—S.S.).”²

Whereas military convergence in Western Europe has been a slow process up to this point, the military sphere will certainly become completely involved in the integration movement as the implementation of the “Delors model” approaches its completion in 1992. It is no coincidence that a search for an appropriate institutional structure for this convergence has already begun. For some time there were disagreements over which of the two organizations—the EEC or the WEU—would take on this function. It is obvious that the EEC does not have the necessary powers to make decisions on all matters of military organization and defense. As for the WEU, this is not an economic organization. Nevertheless, a plan which might solve this far from simple problem for the West Europeans already exists. In 1989 the Legislative Commission of the European Parliament approved a report envisaging the sequential merger of the EEC with the West European Union. The phases would include the transfer of WEU headquarters to Brussels, an exchange of observers between the European Parliament and the WEU Assembly and between the EEC and WEU secretariats in charge of political cooperation, and the conclusion of an agreement on the merger of the two organizations in a single structure. This initiative, according to its authors, could be a painless way of surmounting the gap between questions connected purely with the defense of the West European countries and those connected with the politico-economic aspects of security.

The circumstances stimulating West European convergence in the politico-military sphere included the recent shift in the military-strategic situation on the continent and the fear, which arose partly as a result of the conclusion of the INF Treaty, that “Europe” would have to deal with the Soviet Union one on one in the future, because the United States was “resigning” from the position of security guarantor. Even earlier, the “Strategic Defense Initiative” had given rise to doubts about the sincerity of America’s commitment to West European defense, but this was not simply a matter of a loss of faith in American nuclear guarantees. It appears that the transformation of the West European countries into a single international entity, autonomous of other world power centers, including the United States, would be impossible in principle without West European autonomy in the security sphere. Today, on the threshold of the 1990’s, now that the EEC is turning into an autonomous part of the world economy, the need to bring all of the other parameters of its international influence into the necessary balance is becoming imperative.

When the EEC’s unified market is established by the beginning of 1993 and when steps are taken to create the economic and monetary union, the politico-military sphere will essentially be one of the last frontiers the integrators will have to reach in order to turn the

separate West European countries into a single international entity of global significance. The politico-military component of the existing economic and political structure in Western Europe has been assigned an exceptionally important role as the cementing link in the chain of earlier efforts by West European integrators.³ For this reason, convergence in the sphere of defense cannot be examined outside the context of the current integration process in Western Europe in general.

The essence of West European integration, as its development has demonstrated, consists not only in advancement toward a unified economic structure, but also in the creation of common structures in the political-legal sphere, including defense and security policy.

The factors engendered by the economic limitations of the national economic base for the production of modern military systems and weapons are equally noteworthy. Recently they have become more important. The military sector of industry in the European NATO countries has always displayed essentially autarchic development patterns. Most of the military equipment shipped to the French and English armed forces, for example, comes from national military contractors. The Bundeswehr accounts for the most highly internationalized supply operations at this time. Only 20-25 percent of its equipment is wholly of national origin; the FRG buys 15-20 percent of its weapons abroad and around 60 percent from West German companies working with foreign partners.

In view of the rapid rise in the cost of various military projects, which also require considerable scientific and technical support, it is almost impossible for any one West European country with relatively limited (in all respects) resource potential to develop and produce complex modern military equipment strictly on a national basis. Division of labor and cooperation in the sphere of military production are acknowledged in principle in the West European countries as the most effective way of satisfying these countries’ need for modern weapons. One WEU report says that “the unproductive expenditures connected with the duplication of the same projects, due to the European governments’ inability to cooperate in the acquisition of arms, amount to around 35 billion dollars a year.”⁴

The need to reduce the overhead costs and enhance the effectiveness of military production, however, conflicts with the inevitable reduction in the number of jobs in armament plants. “All of the European governments say that they believe in rationalization (this is what people in Western Europe sometimes call military-economic integration—S.S.),” commented, for example, THE ECONOMIST, “but most of them are wasting money just to protect their own military industry.”⁵ This is no coincidence. The military sector of the European NATO countries employs hundreds of thousands of workers and engineers. Estimates put the total number at 850,000-1,025,000, including 400,000-550,000 in Great Britain,

250,000-350,000 in France, 150,000-200,000 in the FRG, and 100,000-150,000 in Italy.⁶

There is also the possibility that the total number of people employed in the military industry is higher. According to the data of the French Defense Ministry, for example, there were 290,000 workers employed in the military sector, "but if the current purchases needed for the operation of military equipment (raw materials, electronic components, and general capital investments) are included, the actual number of jobs depending on arms production is 400,000." This constitutes 5.7 percent of all the people employed in French industry.⁷

The greatest interest in the idea of "rationalization" has understandably been expressed by the West European firms with the most competitive products. According to experts, these are mainly firms in the FRG. People in West Germany believe that they will receive so many orders for their products that it will be unnecessary to eliminate any jobs in this industry, and it might even require production expansion. Other "interested parties" in military-economic cooperation include the Netherlands. Although people in France, Great Britain, Italy, and Spain are already advising the rationalization of military production on the "European" basis, there is reason to believe that national arms manufacturers are not that inclined to support the politicians.

A political agreement seems to have been reached in principle, however, on advancement toward stronger military unification. Almost no member of the ruling circles of the European NATO countries disputes the opinion that joint arms production and a common defense policy are essential conditions for advancement toward the "European Union" defined as the goal of West European integration.

The examples of military-technical cooperation include the RITA communications system (France-Belgium), the Franco-West German Milan anti-tank missile and Roland anti-aircraft missile, and the multi-purpose Tornado fighter plane (Great Britain-Italy-FRG). Even in Great Britain, which has not participated much to date in joint military production with WEU partners, there seem to be plans for an increase in the share of weapons produced within the framework of "European projects" from the present 15 percent to 30-40 percent by the middle of the 1990's.⁸

One of the important stimuli of military-economic cooperation by West European manufacturers is their common wish to catch up with American corporations in the arms market. For many years the trade in weapons between the United States and the European NATO countries displayed a sixfold American advantage. The military industry in such countries as France, Great Britain, and the FRG, however, is regarded as one of the main bases of export expansion. The average export ratio in the military industry of European NATO countries is 30-40 percent—much higher than in the United States (20-25 percent). Great Britain exports 25-35 percent of

the military products it manufactures, France exports 35-45 percent, and Italy exports 40-50 percent.⁹

This strong emphasis on the foreign market among West European arms companies will naturally require permanent conditions to sustain the high international competitiveness of their products. The position of French firms producing arms for the world market, however, is growing weaker each year, in spite of the fact that exporters of military products in France (ranking second only to the United States among arms suppliers in the capitalist world) are the object of positively maternal patronage by the state. Since 1985, for example, French military-industrialists have lost six large contracts with a total value of 75 billion francs, including contracts for the supply of Mirage-2000 and AMX-40 tanks to Saudi Arabia, howitzers to India, air defense complexes to the United States, military helicopters to Canada, and Alpha-Jet attack aircraft to Switzerland.

Failures in the competitive struggle in the arms market are an alarming symptom, and people in Western Europe believe that it attests to the underdevelopment of the technological base of their military sector. According to the leaders of the European NATO countries, this lag is capable, within the overall context of interrelations with the United States, of compounding the difficulties of the possible political separation from their senior partner. The European allies appear to have reacted to the new dynamic in Washington-Moscow relations with inner trepidation. This is the result of the previously mentioned fear that the process of real disarmament will be carried out at the expense of Western Europe's security. Furthermore, people in the United States have recently been suggesting that Western Europe is capable of paying its own security costs, and other NATO countries are inclined to take this as a sign that the region has lost some of its geopolitical value to the American establishment.

According to the "Eurostrategists," technological achievements could do much to revive U.S. ruling circles' interest in the Old World, but a sweeping military-technological program in the United States itself could, in the opinion of the European elite, seriously broaden the scientific and technical gap between the Americans and the rest of the capitalist world.

Washington's "Strategic Defense Initiative" apparently did much to stimulate West European attempts at broad-scale regional military-technological cooperation. The proof lies not so much in the Eureka program, which is primarily civilian in nature (although it could certainly serve as a platform for military purposes), as in the recent more active attempts to put together a military counterpart. It would also be the counterpart of the multilateral scientific and technical programs being carried out within the EEC framework, such as ESPRIT. The European Programming Group is playing an important role in the substantiation and promotion of these projects.

The group began by organizing a conference of the heads of West European military research laboratories in 1986 for the purpose of coordinating their work. The most interesting part of its work, however, is probably the report prepared by representatives of 13 European NATO countries under the supervision of former member of the Commission of the European Communities and former defense minister of the Netherlands H. Fredeling. The report specifically proposed the creation of a joint "European" fund of from 100 million to 500 million dollars to finance military R & D.¹⁰

The old idea of creating a "common arms market" within the EEC framework—or, in other words, of extending the 1957 Treaty of Rome to cover military products—is also being implemented gradually. In September 1988 the Commission of the European Communities sponsored a bill stipulating special categories of goods which should be subject to the same import duties as any other goods brought into the community from outside. They included microchips and other electronic components classified as "dual-purpose" items. It is possible that the list will include strictly military equipment in the future. The Americans who supply arms to the West European market have evinced an understandable lack of enthusiasm in this area.

Therefore, as a result of the beginning of a new stage in the development of West European economic integration, which originally had little to do with the problems of European political and defense cooperation, the EEC is turning into a new power hub. This transformation is still taking place under NATO auspices and in accordance with the idea of shifting some of the burden of the organization from America to Western Europe. It is true that no one in the West European capitals is openly saying that this could imply something more than just the reinforcement of the European pillar of the North Atlantic alliance. In fact, it would be odd if anything else were to be discussed at this time. Obviously, it is not in Western Europe's interest to obstruct its relations with the United States and give Moscow reason to doubt "Western solidarity" in matters of defense and security.

People in Paris and Bonn do not want to be accused of planning the establishment of a "superstate" in Western Europe. Whatever name they might give to the international entity which is quickly taking shape before our eyes in the western half of the European continent, however, it is certain to demand the redistribution of roles and functions, and not only in relations with the United States, but also with the rest of the world.

Will Western Europe turn into a "superpower," comparable, for example, to the United States of America? Of course, it would be wrong to answer this kind of question categorically today. Nevertheless, several factors suggest that it might turn into one, if, it goes without saying, the term "superpower" is not taken to mean the accumulation of far more than enough military potential. It is doubtful that Western Europe would agree to increase proportional military expenditures in the GNP beyond

the average figure of 3 percent. It would not pay a price this high or this economically irrational just to join the ranks of the "superpowers."¹¹ It is more likely that the opposite will occur and that America will begin reducing its proportional military expenditures in the gross national product. It goes without saying that Western Europe's new role in the world balance of power will influence the position of all other elements of this balance.

Third Power Hub?

What can we say about the first results and probable consequences of the politico-military convergence of the West European countries? All we can do today is to describe, in the most general terms, the changes and tendencies which might be engendered by this new world dynamic.

The most impressive result is likely to be the evidence that merging the military-economic capabilities of integrated but sovereign states is possible in principle. The internationalization of the military sphere, which has traditionally been a prerogative of the national state, is likely, in our opinion, to lead to unavoidable changes in the customary functions of the state as the national-political form of social organization.

Of course, people in Western Europe realize that there are instruments other than military factors that can advance it to key positions in today's world. Italian researcher M. Pianta, for example, stressed that if the Old World should begin competing with the United States in the new military technologies with the hope of winning "superpower" status, it would have to deal with the only sphere of American activity in which the United States is stronger than it was in the 1980's: "If the European response to American strategy consists simply in the concentration of research resources in similar (to the American ones—S.S.) military-technical projects, resources will be diverted from the very branches that have been responsible for the rapid growth and specialization of the economies of European countries. If Europe makes this choice, it could lose the economic basis that could satisfy its need to win 'superpower' status."¹²

This point of view, in our opinion, clearly points out the danger of copying all of the parameters of the American power model. Of course, there is still no sign that Western Europe will begin more intense military preparations (unless, of course, some unforeseen event should disrupt the tendency toward the gradual curtailment of the arms race).

Nevertheless, we can assume that in the 1990's the United States (and the rest of the world) will have to deal with an economically and technologically stronger and politically and militarily more cohesive Western Europe. It is Western Europe, and not China, the Soviet Union, Central America, or the Middle East, that represents "the most serious challenge" to the United States today, acknowledged FORTUNE, the American magazine.

FORTUNE quoted B. Scowcroft, President Bush's national security adviser: "Relations with Western Europe constitute the most complex foreign policy problem the United States will have to deal with in the next 4 years."¹¹

It is unlikely that the creation of a "strong" Europe will be enough in itself to get rid of such a firmly established instrument of trans-Atlantic partnership and solidarity as NATO, but the North Atlantic alliance is certain to pay more attention to purely West European interests. It is even possible that the growing politico-military and military-technological autonomy of Western Europe will someday make the American nuclear guarantees unnecessary in NATO. This military-political bloc could turn into a politico-military alliance in which the Americans will have to treat the Europeans as equals for the first time.

There is another possible result of Western Europe's growing autonomy in matters of policy and security. It is quite possible that a politically and militarily stronger and more cohesive "Europe" will be a much less pliable partner of the United States in world economic affairs. For the West European nations, the military strength of the United States and their own dependence on it in the security sphere have always been among the factors shaping their decisions on controversial trade and economic issues.

We can assume that the West Europeans will feel less constrained in the international arena in the next few years and will even be able to take a fairly firm stand when necessary. Of course, they are too dependent on the foreign economic sphere to conduct a dialogue with the United States or Japan from a position of strength. It is highly probable, however, that Western Europe's new geopolitical status will force, for example, the United States to discuss matters of foreign economic policy with Western Europe in a more careful and conciliatory tone.

It is also possible that the overall economic and political significance of the West European region, which seems to have declined in comparison to the American elite's view of Japan and the Pacific region, will begin growing again. In general, the interdependence of Western Europe and America will most probably be more balanced, and trans-Atlantic relations will no longer be based so strictly on the patterns of a "senior" partner and a "junior" partner. In particular, Western Europe will have a chance to influence the main characteristics of the "European process" directly, acting more in line with its own interests than with ally considerations.

Whereas West European policy in the past was more local than global, in the 1990's Western Europe can be expected to begin taking action on the planetary scale again. This could lead to extremely surprising reversals in trans-Atlantic relations and in the system of international relations as a whole.

Here are a few words about how the emergence of the new "power hub" might, in our opinion, affect Soviet-West European and Soviet-American relations.

An analysis of current opinions in the USSR with regard to our topic indicates that people in our country are still not ready to take an objective look at any kind of third military power that would change the bipolar framework of military-political forces in today's world. Will we be capable of applying the new political thinking to the unfamiliar processes of military-political consolidation in Western Europe, seeing them not as a threat to our interests, but as a natural process, and will we be able to judge all of the motives leading up to them impartially?

We must not overlook the fact that the speed, scales, and nature of the military vector of West European integration will also depend on us to a considerable extent. Quite frankly, politico-military convergence in Western Europe is not just the top floor of the building of European integration and not just insurance for a "post-Atlantic future." It is also insurance for a "post-perestroika" future. Who could give the West Europeans a 100-percent guarantee that the reforms and changes in our country will always have only a positive effect on them? Who could do this now, when we still do not have a clear idea of our own prospects?

How Western Europe will use its military potential will depend, of course, on many factors. If it chooses the road of "non-offensive defense," this clearly will not pose a threat to its neighbors in the eastern half of the continent. We must not forget, however, that military-strategic concepts are always the product of specific international conditions, and that these conditions are naturally influenced by the policies of other states. If the Soviet Union continues moving toward disarmament, it is highly improbable that the West European parliamentarians will begin demanding additional allocations for defense.

To a considerable extent, we seem to be holding the key to the European West's trust in us in our own hands. If the policy of reinforcing and continuing earlier reforms is established as the official policy of our country, and if it continues to be guided solely by common human values, we will have a much greater chance of winning this trust. Nothing, however, can bring us closer to Western Europe than open and intense economic contacts. Much of our economy is still cut off from the world economy in general and the European economy in particular, and this could seriously impede the establishment of a new relationship with Western Europe. Even if we assume that the most optimistic predictions about this relationship will come true, however, it certainly will not be enough to stop the military integration of the Old World and remove weapons from its political arsenal.

Everything will depend on its relations not only with the USSR, but also with other countries and regions—for example, with the Middle East.

Here is what might be the most difficult question. How will Western Europe's politico-military autonomy and growing unity and strength influence USSR-U.S. relations? It is possible that its ability to make autonomous decisions on questions connected with its own security will serve only as one of the factors (although a fairly significant one) that will rectify the primarily unidimensional—military-political—nature of Soviet-American relations. The priorities of the "superpowers" today would seem to make military rivalry, including disputes over Europe, irrelevant at the very least. In the next few years the attention of the United States, according to many foreign experts on American affairs, will be divided among the Soviet Union, Japan, and the united "Europe of 1992," and the economic problems connected with the latter two might be of greater concern to the Americans than relations with Moscow. Chinese expert on American affairs Ding Xihao, for example, has said that "the next few decades are more likely to be distinguished by competition between the United States and Japan than by confrontation between the United States and the Soviet Union."¹⁴

As for the Soviet leadership, it will be paying much more attention to domestic problems than foreign ones in the next few years. Under these conditions, it will be more important for us to stay in contact with the Western countries willing to help us solve our economic problems. In contrast to, for instance, the West Europeans, who were quick to make use of the opportunities perestroika created, the Americans, judging by all indications, have an extremely restricted view of future economic relations with us.

There is no question that American-Soviet relations will cease to have such a decisive impact on international politics as Western Europe evolves into a third power center. In view of the tendency toward the decline in the relative significance of military force in world politics, accompanied by the reduction of military potential and the destruction of whole categories of modern weapons, it is probable that the status of "superpower" will soon undergo the most significant changes since the time of World War II. Of course, neither the United States nor the USSR will have to accept a secondary role in world politics in the foreseeable future, but their influence might be measured in slightly different terms. Speaking of this, it is important to realize that the United States has, in addition to military-political leverage, many more alternative channels than we do to influence events beyond national borders. They include America's economic presence in virtually all parts of the world economy, its technological leadership, which forces all other nations to always consider its interests, and the special status of the dollar in the international monetary system.

What kind of position will we occupy in the world at that time, a time so critical in view of our customary international status, when the military potential of the USSR is already being reduced but the conditions for economic advancement are being established so slowly and are sometimes so contradictory? The answers to these questions should be the target in a separate, impartial analysis.

Footnotes

1. Different aspects of military-political integration in Western Europe are examined in detail in the works of Soviet researchers V.G. Baranovskiy, Yu.P. Davydov, A.I. Utkin, V.S. Shein, and others.

2. THE FINANCIAL TIMES, 29 June 1989.

3. People in Paris, for example, are inclined to stress this fact quite emphatically. In a speech in the French Higher Institute of National Defense in October 1988, the president of the country said that it would be impossible to build an "economic, technological, and political Europe" without building a "European defense."

4. LE MONDE DIPLOMATIQUE, January 1988, p. 22.

5. THE ECONOMIST, 26 September 1987, p. 46.

6. "Evolving European Defense Policies," Lexington (Mass.), 1987, p. 29.

7. LE MONDE DIPLOMATIQUE, March 1988, p. 8.

8. THE ECONOMIST, 26 September 1987, p. 46.

9. "Evolving European Defense Policies," p. 29.

10. THE FINANCIAL TIMES, 18 April 1987; SCIENCE, 1987, vol. 237, No. 4819, p. 1109.

11. In France, for example, there have been more frequent admissions that the military industry "has ceased to be a panacea for employment or foreign trade." An indicative remark was made in LE MONDE DIPLOMATIQUE: "A whole era is coming to an end. For too long the politicians in France believed that guns would keep us supplied with butter. Efforts in the sphere of defense were not a waste of funds, but served to make everyone richer. Today this line of reasoning is almost defunct. The production of goods for civilian needs is flourishing in the FRG and South Korea, but in the United States and France, two of the main exporters of arms, there is a negative balance in the trade in manufactured goods" (LE MONDE DIPLOMATIQUE, March 1988, p. 8).

12. M. Pianta, "New Technologies Across the Atlantic: U.S. Leadership or European Autonomy?" Harvester-Wheatsheaf, London, 1988, pp. 141-142.

13. FORTUNE, 13 September 1989, p. 137.

14. THE WALL STREET JOURNAL, 30 January 1989.

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Naval Nuclear Arms Control Analyzed

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[Article by Sergey Aleksandrovich Voshchinin, USSR Navy captain 1st rank and Sergey Vadimovich Kortunov, USSR Ministry of Foreign Affairs adviser: "Naval Nuclear Armaments: Is It Possible to Monitor Them?"]

[Text] Sea-launched nuclear armaments [SLNA] are one of the most important of those components of the military power of states which are not yet involved in the active negotiating process on questions of disarmament.

Perhaps the only exception here are submarine-launched ballistic missiles which are under discussion at Soviet-American negotiations on nuclear and space armaments. As is well known, with regard to long-range sea-launched cruise missiles [SLCM's], there is still no serious dialogue under way in Geneva. The discussion of this problem follows a vicious circle: The Americans maintain that effective monitoring of nuclear SLCM's is impossible. At the same time, the most reliable forms of monitoring proposed by the USSR—on-site inspections which, in this case, amounts to visiting ships and submarines—are considered by the Americans to be excessively "intrusive" and "sensitive" and, besides, they undermine the well-known principle guiding the activity of the American Naval Forces: "to neither confirm nor deny" the presence of nuclear armaments on board.

Apart from this, huge quantities of other (nonstrategic) categories of naval nuclear armaments with which modern combatant ships are equipped have not been fully covered by negotiations: antiship cruise missiles, nuclear torpedoes, mines and depth charges, carrier-based aircraft nuclear weapons, and so on. The USSR proposes to discuss these questions in the context of negotiations on naval forces as a whole or at separate Soviet-American negotiations on sea-launched nuclear weapons. The United States and other NATO countries are categorically opposed to this.

Meanwhile, neither nuclear SLCM's nor tactical nuclear naval weapons contribute in any way to strengthening strategic stability at sea and in the world at large. As progress is achieved in other areas of disarmament, they will steadily increase as a proportion of the total correlation of armed forces. At a certain stage, this trend may not only hamper the cause of disarmament but even depreciate what has already been achieved in this area. Given a radical reduction of other nuclear (strategic) and conventional armaments, an intensive "overflow" of military competition will inevitably begin into this broad and ramified channel of the arms race which is not embraced by mutual agreements. This would leave broad scope for outflanking future accords on strategic offensive arms [SOA] and conventional armaments in Europe.

The necessity of a comprehensive approach toward negotiations on SLNA is dictated by what may be called the "organic integrity" of such armaments: Effective monitoring of only one individual category of them (for example, SLCM's) would inevitably entail monitoring all nuclear armaments at sea and, as a consequence, the entire naval forces of states as a whole.

This is one of the specific characteristics of naval fleets, one which determines the main reason for the West's disinclination to talk about limiting naval armaments. It is not so easy to bring oneself to agree to monitoring in a sphere in which one traditionally has advantages, particularly if the monitoring will allegedly be "intrusive," that is to say accompanied by "inspection landings" on ships and submarines.

The core of the question lies in creating technical means which would effectively monitor all categories of SLNA with minimum intrusion into the everyday activity of naval forces. The resolution of this problem would also make it possible to adopt a more specific approach toward the limitation, reduction, and, in the future, elimination of naval nuclear weapons.

Theory and Practice

Theoretically, the possibility of detecting shipborne nuclear weapons is beyond doubt. It is conditioned by the very nature of nuclear weapons which are sources of various ionizing radiations (gamma-neutron radiation of plutonium isotopes, gamma-radiation of uranium isotopes, and others). A nuclear warhead may be camouflaged to look like anything but the presence of a gamma-neutron background will indicate that it is nuclear. The gamma-neutron background is a unique sign of a nuclear weapon, registration of which enables its detection. It is essentially important that neutron- and gamma-radiations accompany one another and possess great penetration capacity, and that therefore they may be recorded by modern highly sensitive instruments, even in conditions where components of the natural background are constantly changing, components which may be stronger than the nuclear weapon's radiation.

Nevertheless, the mere recording of radiation in the area of the object under inspection is insufficient for drawing an unambiguous conclusion that this object carries nuclear munitions. Many materials and installations possess their own neutron- and gamma-radiation. However, nuclear munitions have radiations with distinctive spectral characteristics or, as specialists put it, their specific distribution of gamma-quanta in terms of energies and intensities.

Not only were these theoretical assumptions experimentally corroborated a long time ago; they have also been incorporated in corresponding instruments used for detecting nuclear weapons.

Specimens of such instruments were extensively demonstrated in the course of a joint Soviet-American experiment which was conducted in July 1989 on the Black Sea

by the USSR Academy of Sciences and the U.S. National Committee for the Protection of Natural Resources.

These specimens included: a naval helicopter complex ("Sovetnik") for the remote detection and monitoring of neutron radiation; experimental gamma-spectrometry contact equipment complete with semiconductor and scintillation detectors, which was placed directly on the missile launcher; and an experimental installation for the remote detection of gamma-radiations, which was placed on board a large amphibious warfare ship. In this experiment, the Soviet Navy was represented by the guided missile cruiser "Slava," equipped with a standard cruise missile with nuclear munition. The American side used only a portable gamma-spectrometer complete with semiconductor and scintillation detectors. The answer to the principal question, namely, whether or not it is indeed a nuclear warhead which is inside the launcher, could be obtained as a result of analyzing the gamma-spectrometric measurements in the case of the detection of one or two spectral lines corresponding to the radiations of weapons-grade uranium and plutonium isotopes.

Together, all this equipment made it possible to successfully conduct an experiment which confirmed the possibility in principle of detecting nuclear weapons on board a ship.

It goes without saying that the Black Sea experiment is only the first step in this direction and that it must serve as an impetus to creating even better and reliable instruments. It is important, however, that the level of development of contemporary science makes it possible.

For example, technical means of monitoring may not only be passive, namely used for recording radiations from sources (like the instruments demonstrated in the Black Sea), but also active, that is to say emitting their own radiation which activates nuclear materials on the objects under observation and subsequently recording the response.

Today, both passive and active means use neutron- and gamma-radiations as operational ones. In the future, other types of electromagnetic radiations with other wavelengths will probably become applicable.

Passive and active means of measurement may be subdivided into two families: remote-control and contact instruments. The very name of remote-control instruments speaks of their mode of application, whereas contact instruments may record radiations in the immediate vicinity of the object—either touching it or at a distance of a few meters. An intermediate family has recently emerged between these two: these are near-contact instruments whose range of operation enables recording at a distance of up to 20 or 30 meters.

The layer of air between the emitter and the recording instrument is an essential obstacle to the propagation of nuclear radiation. Nature has arranged it so that neutrons, for example, dissipate, diffuse, and become

absorbed much faster than they propagate linearly. Consequently, instruments for monitoring SLNA must possess enormous sensitivity to a specific type of radiation and be capable of counting the particles which fall on a surface sensitive to them practically "by the piece."

It must be added to this that the radiation of a nuclear munition is in itself so low that it virtually drowns within the natural background.

What Various Monitoring Instruments Can and Cannot Do

Remote-control passive instruments are capable of determining with sufficient accuracy the presence of SLNA, its location, and the quantity of nuclear missiles on board a ship (if the calibration characteristics of a single nuclear munition of a particular type, corresponding to a specific missile on a specific ship are available).

The method which these instruments help to implement amounts to the strict measurement, in space and time, of radiation fields with a precise tying in to the object of monitoring. As a result, the object is, as it were, scanned by a sensitive instrument within a strictly set period of time which is sufficient for collecting a set of measurement statistics at each specific spatial point. A computer analysis finally provides a space-and-time profile of the ship's nuclear physical field (in conditions of constant monitoring of the natural background) which may be used for analyzing the fact of the availability, location, and quantity of SLNA. Of course, there is a substantial package of "know how" involved in resolving this problem, a package which remains beyond description.

Passive contact instruments can furnish much more information, especially with regard to measuring the gamma-radiation spectra of a nuclear munition. When using such instruments, it is extremely difficult to resist the temptation to get "intimate" information on the nuclear charge, information which is not connected with the goals of monitoring. This is why these instruments must be based either on the intensimeter principle or be tuned to only two or three fixed spectral lines of the isotope gamma-radiation within the nuclear charge. Such instruments may point to the presence of SLNA, pin it down to a specific "tube" of the missile launcher, do this on the spot and with high precision, and are indispensable for monitoring "on suspicion" in special cases because, in addition to other things, they are quite small.

Near-contact passive instruments, like remote-control ones, are absolutely "nonintrusive" and highly effective but they may be applied only in specific conditions on board small crafts at sea, for example, or in automobiles which are part of ground inspection stations.

With regard to active instruments, here everything is much more complicated, although it appears simpler on the face of it: Just lightly expose the nuclear charge to radiation and obtain its effective response. It turns out

that this "lightly" is a category which is difficult to fulfill and not without risk. Here again the atmosphere plays its role, hampering active radiation. In other words, if one tries to implement this "lightly" from a distance of hundreds of meters, it results in the object being subjected to serious doses of radiation. If the range is sharply reduced, what is then the advantage of active methods? Of course, if launchers are "illuminated" with ecologically safe doses at small distances, then the reliability of identifying nuclear weapons increases sharply. However, the operator who does the "illumination" is also exposed to greater danger.

In principle, we could set about creating special "isotope markers" which alleviate the functioning of control means of monitoring. In all likelihood, this method could be effectively examined for utilization at automated inspection units. As for the rest, it requires further very profound scientific and applied elaboration because, among other things, it is still very "intrusive."

Is It Possible To Deceive Remote-Control Instruments?

One often hears that methods can be developed for concealing nuclear warhead gamma-neutron radiation. This, of course, cannot be denied. However, if such measures are taken, supersensitive instruments with "reverse vision" will be created which will "sound the alarm" on detecting powerful protection. At the same time, protection against gamma- and neutron radiation may require, simultaneously, about one and one-half tons of special materials per one square meter of the surface being protected. In the case of various types of ships this may result in a displacement of between 1500 and 2500 tons. As a rule, this is much higher than the waterline and will inevitably affect the ship's seagoing qualities. Some people say that munition magazines can be completely filled with water, but in that case the question of combat readiness arises, a question which is connected with emergency discharge of water or with underwater firing from a surface ship, something which can hardly be regarded as serious.

Various sources of radioactivity may be used for the purposes of deception, yet it is unlikely that their selection will ever approach the portrait of a nuclear charge, that is to say, its characteristics and radiation spectra. In order to duplicate a nuclear charge one has to create an identical one, and this is impossible because each charge has its own unique characteristics.

Another possibility is to "clean out signal isotopes" from weapons-grade nuclear materials and reduce their radiation to a minimum; however, this is too expensive and does not stand up to criticism in terms of the criterion "effectiveness-cost-combat effectiveness."

It appears that a much better way amounts to looking for effective forms of monitoring which takes into account the engineering solutions which have already been obtained in weaponry and ship design.

On the Secrecy Syndrome in the Naval Sphere

In our opinion, the above considerations show convincingly enough that the creation of a system for monitoring SLNA is a realistic and technically feasible task, provided there is political willingness on the part of all nuclear powers and, first and foremost, of the USSR and the United States.

Of course, it is not going to be easy, especially for sailors, to reconcile themselves to the idea that SLNA will be monitored. Unfortunately, some stereotypes of military-political thinking are sometimes stronger than the metal used for manufacturing weapons. A particularly large number of elements of mutual distrust, sometimes based simply on an incorrect interpretation of the actual intentions of the sides, have accumulated over the cold war years in the sphere of naval armaments. In the USSR, for example, many people are convinced that the United States and other NATO countries are developing their navies in order to surround us with fleets of warships [armadas] on all sides, to block the access to the oceans of the world, and to transfer the beachhead of a possible nuclear war to the seas. The West, in turn, believes that the Soviet Navy threatens its trade and economic communications and is intent on "hunting" its large ships in faraway seas.

As a matter of fact, both sides have long been hostages to incorrect notions which compelled them to proceed in their military organizational development from the worst variant and therefore, in many cases, to go beyond the limits of defense sufficiency and emerge at levels of offensive potential. In its turn, this was perceived by each side as a confirmation of the other side's aggressive intentions. The situation was further aggravated by excessive secrecy regarding naval forces, secrecy which did not make it possible to objectively assess the level of the actual threat and did not, for that reason, enable us to proceed from the principle of reasonable defense sufficiency in developing our naval forces.

Indeed, the sailors do not know much about each other. As a result, they picture every warship as being literally stuffed with nuclear weapons from stem to stern. Nuclear weapons are imagined to be everywhere, and this is becoming a kind of disease, a chase after a ghost. Even though both nuclear powers clearly realize the danger contained in the surplus model of equipping navies with nuclear armaments, the principle operating here is that of optimum combat effectiveness multiplied by the sides' excessive adherence to quantitative factors of military power. The situation is further aggravated by the aforementioned American principle "to neither confirm nor deny" the presence of nuclear weapons on board a ship.

During the cold war years, the policy of confrontation which prevailed in all possible areas encouraged the viewing of each other through gunsights from the conning towers of the ships. A feeling of distrust kneaded firmly together with the "image of the enemy" prevented

us from soberly assessing the actual situation at sea and compelled us to frantically count and multiply megatons of nuclear equivalents.

In the West, all these stereotypes of military-political thinking have become so deeply rooted that any Soviet proposal to start negotiations on the limitation and reduction of naval forces and their armaments have been perceived and are being perceived now as "Moscow's insidious design," intended to weaken the navy which is "defending" sea lines of communication. This is why the United States and other NATO countries have always tried to avoid any limitations or monitoring in the case of their own naval forces.

Times, however, change. The principles of the new political thinking are being ever more extensively instilled not only into the consciousness of the military-political leadership of the states but also into the living tissue of world politics. Military observers of those states which are participants in the Council for European Security and Cooperation are present on a regular basis at exercises of the armed forces of NATO and the Warsaw Pact. Soviet inspectors carry out continuous monitoring at the American military plant in the town of Magna and American ones do the same at our enterprise in the town of Votkinsk. Inspections are conducted of missile operating bases, storage sites, and installations manufacturing Soviet and American intermediate- and short-range armaments. American specialists visit Soviet plants manufacturing fissile materials, the test ranges at Semipalatinsk and Sary-Shagan, the Krasnoyarsk radar station, military airfields, and submarine bases. Direct contacts between military leaders of East and West are becoming increasingly broader and include visits to military and military-industrial installations.

All these facts indicate that an understanding of the necessity of openness in military activity as an indispensable condition for stable coexistence and mutual security is gradually gaining a foothold in the world. There is, in fact, a direct connection here: The greater the openness, the greater the confidence, and conversely. Understanding is only possible if there is knowledge, and confidence is only possible if there is understanding.

In the sphere of naval armaments, the excessive secrecy has turned from being an element of guaranteeing state security into an obstacle to its strengthening based on reasonable sufficiency for defense. The determination of the criteria for such sufficiency is directly dependent on the level of actual threat from the sea, a level which is very difficult to assess and sometimes subjective, precisely because of the absence of objective information on the other side's naval potential. This is why here, too, we must jointly create standards and conditions of openness such as will not prevent but rather promote the achievement of accords on a radical reduction of armaments, will make it possible to remain within the framework of sufficiency and defensive doctrine and not exceed the limits being imposed by this framework.

Toward a New Model of Security at Sea

Distrust based on a lack of knowledge may be removed by direct contacts between diplomats and military experts on questions of sea-based nuclear weapons. In this sense, monitoring SLNA is acquiring an even greater significance. Now that remote-control and contact instruments of "naval nuclear vision" are being developed, a unique chance has emerged to build relations between navies on the basis of mutual restraint by way of joint and mutual monitoring of sea-based nuclear weapons.

In terms of functional destination, technical means of monitoring cannot be classified either as armaments or as military technology. However, the moral value of monitoring nuclear weapons is enormous and lies in the predictability of the actions of the sides and in the reasonable openness and trustworthiness of their interrelations, which enables us to categorize this type of monitoring as a means of strengthening strategic stability at sea.

From the point of view of interrelations between the USSR and the United States, the monitoring of sea-based nuclear weapons may be raised to the level of military and political contacts using both on-site inspections and permanent joint monitoring subdivisions which will ensure the proper level of confidentiality and reliability in dealing with the monitoring results. Joint procedures may be elaborated here which eliminate any damage to national security and do not interfere with the usual activity of the navies, their development and their improvement.

Such an approach would make this development more secure and in many respects optimal for the states. Awareness of the truth may make it possible, through interaction and the predictability of intentions, to consecutively reduce the degree of nuclear saturation of naval armaments by eliminating some of their components, first and foremost long-range SLCM's, from the nuclear equipment.

One can also picture a situation in the future in which only the reactor of the energy supply installation on ships remains nuclear and the armaments are conventional.

Extensive interaction with regard to the practical monitoring of sea-based nuclear weapons would make it possible to gradually proceed from nuclear confrontation at sea to cooperation and to a perestroika of the navies based on the principles of sufficiency, which would contribute to strengthening international security.

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